

CITY OF ESCONDIDO

Proposition P

(This proposition will appear on the ballot in the following form.)

PROP P FIRE, POLICE, PARAMEDIC 911 EMERGENCY RESPONSE MEASURE. To improve fire and police response times, better coordinate emergency/disaster response and public communication, and improve paramedic response, gang/drug enforcement and prevention, shall the City of Escondido construct, upgrade, and acquire land for fire stations, including emergency response training centers and combined Police/Fire Headquarters, by issuing bonds up to \$84,350,000 at legal rates, with citizens' oversight, independent financial audits, and no money for administrators' salaries?

This proposition requires approval by two-thirds of the voters.

**Full text of this proposition
follows the arguments.**

TAX RATE STATEMENT

An election will be held in the City of Escondido (the "City") on November 2, 2004, to authorize the sale of up to \$84,350,000 in municipal bonds for the City to finance public safety facilities as described in the measure. If the bonds are approved, the City expects to sell the bonds in several issues over the next several years. Principal and interest on the bonds will be payable from the proceeds of tax levies made upon the taxable property in the City. The following information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.02571 per \$100 of assessed valuation in fiscal year 2005-06.

2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.05227 per \$100 of assessed valuation in fiscal year 2007-08.

3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is \$0.05422 per \$100 of assessed valuation in fiscal year 2008-09.

Based on these estimated tax rates, the average annual tax over the life of the bonds would be \$34.75 for \$100,000 of assessed valuation for single family homes.

Voters should note that these estimated tax rates are based on the assessed value of taxable property in the City as shown on the official tax rolls of the County, not on the property's market value. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Certain taxpayers may also be eligible to postpone the payment of taxes. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions.

The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the bonds. The estimates are based upon the City's projections and are not binding upon the City. The dates of sale and the amount of bonds sold at any given time will be determined by the City based on the need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the City as determined by the County Assessor in the annual assessment and the equalization process.

Dated: July 21, 2004

APPROVED BY THE CITY COUNCIL

CITY ATTORNEY'S IMPARTIAL ANALYSIS

An Initiative Measure for the Issuance of General Obligation Bonds for the Acquisition, Construction, Repair and Replacement of Public Safety Facilities

Proposition P would authorize the City of Escondido to issue up to \$84,350,000 in general obligation bonds to improve public safety by constructing, upgrading, and acquiring land for three neighborhood fire stations, including emergency response training centers and constructing a combined Police and Fire Headquarters, reconstructing the City's Fire Station No. 1 and a related Training Facility due to seismic concerns; and constructing an Emergency Operations Center and a 9-1-1 computer-aided Dispatch Center.

Article 13A of the California Constitution allows a city to issue general obligation bonds after getting approval of two-thirds vote (2/3) of the electorate voting on the proposition. Cities issue bonds as a means of raising money for projects that cannot be funded from ordinary revenue sources. The bonds are issued at lower than market interest rates. State law limits the amount of a city's bonded indebtedness to 15% of assessed valuation. This bond is within allowable limits for the City of Escondido.

If this proposition is approved, the City could issue bonds as a general obligation of the City. This means that the bonds would be repaid from the proceeds of a special ad valorem property tax at a rate necessary to pay annual debt service on the bonds. According to the tax rate statement provided by the City's financial advisor, the average annual cost to property owners would be \$34.75 per \$100,000 of assessed (rather than market) value over the life of the bonds.

A "yes" vote is a vote authorizing the City of Escondido to issue general obligation bonds in an amount of up to \$84,350,000 to finance and then construct improvements to Police, Fire, and Emergency services. A "no" vote is against the proposal.

Pursuant to State law, the measure would only take effect if passed by a two-thirds (2/3) majority of voters voting on the measure.

Respectfully Submitted,
Jeffrey R. Epp
City Attorney

ARGUMENT IN FAVOR OF PROPOSITION P

Medical experts agree that during a heart attack or stroke, the brain starts to deteriorate after five minutes. Fire experts agree that a home fire can double in size every 30 seconds. So, the ability, of firefighters, police officers and paramedics to respond quickly in an emergency can mean the difference between life and death.

But did you know that . . .

It is taking longer for Escondido's emergency personnel to respond to calls because of traffic congestion and the distance of our fire stations from newer neighborhoods and commercial areas.

Escondido's overcrowded police station, built decades ago, houses three times the number of safety personnel for which it was intended. Its concrete-block construction cannot accommodate modern safety technology upgrades.

That the 9-1-1 Dispatch System cannot be expanded to meet our community's needs due to our outdated facilities.

Escondido's Fire Training Center is obsolete. Or that the main fire station is overcrowded and no longer meets modern seismic safety standards.

YES ON P improves response times to emergencies, when seconds can be critical to survival, by establishing three fire stations in our growing neighborhoods.

YES ON P centralizes Police and Fire services and our Emergency Operations Center into a modern facility to effectively coordinate rapid response.

YES ON P establishes private rooms to give victims of domestic violence and child abuse a secure place to seek help.

YES ON P includes strict financial accountability requirements. An Independent Citizens' Oversight Committee will monitor spending and annual financial audits will be performed. No money will be used for administrators' salaries. Taxpayers will not pay the entire cost of this measure – developers will pay their fair share of the cost to improve public safety services.

Join us in **Voting Yes on P** – your safety and the safety of our entire community depends on it.

RUSS KNOWLES
President
Escondido Firefighters Association

CRAIG CARTER
President
Escondido Police Officer Association

LARRY LYNCH
Past Commander,
American Legion Post 149

BILL KOLENDER
San Diego County Sheriff

LORI HOLT PFEILER
Mayor

REBUTTAL TO THE ARGUMENT IN FAVOR OF PROPOSITION P

DON'T BUY THE BOND BACKER'S ELECTION GIMMICKS!

Proposition P will NOT spend a single penny on making you safer.

Proposition P will NOT put more cops on the street or more firefighters on duty.

Plus, "citizen oversight," "independent financial audits" and "no administrator's salaries" are all political tricks!

READ THE BALLOT LANGUAGE. NOWHERE EXCEPT IN THE SUMMARY DOES PROPOSITION P SAY ANYTHING ABOUT OVERSIGHT, AUDITS OR SALARIES (Escondido City Ordinance #2004-16)!

And, don't buy the argument that the City could reduce the \$84.3 million amount of the bond.

The City created itself a huge loophole in Proposition P that, if approved, will allow the City Council to spend \$84.3 million however it wants, NOT the way Proposition P says it should be spent (Escondido City Ordinance #2004-16)!

WHY ARE THE BOND BACKERS TRYING TO DECEIVE US?

Because City bureaucrats, labor leaders, developers and other special interests want an \$84.3 million giveaway and stick taxpayers with the bill!

WHERE HAVE ALL THE TAXES AND FEES WE HAVE ALREADY PAID GONE?

About \$55 million has gone to salaries and personnel costs (Escondido City budget, page 28).

Public safety is the City's primary responsibility. Our police and firefighters deserve new facilities and equipment. Unfortunately, this is not the responsible financial way to do it.

Why should we be taxed \$84.3 million more because the City has mismanaged the \$64 million in taxes we already paid (Escondido City budget, page 14)?

Demand honesty and fiscal accountability! **Vote NO on Proposition P.**

TOM D'AGOSTA
Councilman, City of Escondido

ARGUMENT AGAINST PROPOSITION P

The City wants to raise our property taxes by an average of \$7,000 per household to build a few new buildings.

Public safety is the City of Escondido's primary responsibility. Our police and firefighters must be well trained, well equipped, and well staffed. **However, the City estimates that building a new police and fire headquarters, 3 fire stations and renovating 2 fire facilities will cost them almost 95 times more per building than what Escondido residents pay for a home.**

According to the City's 2004-2005 budget, bureaucrats want to spend about \$55 million they already take from us in taxes and fees on their own salaries and personnel expenditures. The Mayor and top bureaucrats raised their salaries as well, even though there was a budget deficit.

Now, they want to stick taxpayers with the bill for police and fire buildings that should have already been paid for!

Why should residents of Escondido be taxed to pay for something developer impact fees and other taxes have specifically been collected for? Why haven't the buildings and services already been upgraded to meet our growing needs? Where have all the fees and taxes been spent?

The Council majority has a habit of letting developers get away without paying their fair share of facility impact fees, and now they're telling the people of Escondido to pay the entire tab.

Our police and firefighters deserve new, state-of-the-art equipment and facilities to keep us safe and secure. But, the City should not raise our taxes by \$84.3 million because they have mismanaged the taxes we have already paid.

Proposition P is faulty financial planning. Hold the bureaucrats accountable. Escondido citizens should not be asked to pay for the City's fiscal mismanagement.

Vote NO on Proposition P.

TOM D'AGOSTA
Councilman, City of Escondido

REBUTTAL TO THE ARGUMENT AGAINST PROPOSITION P

The opponent's argument contains outlandish, false and misleading statements. Don't believe these politically-motivated lies.

FACT: Homeowners will pay LESS than \$35 per \$100,000 of assessed, NOT MARKET valuation, or about \$100 per year for average homeowners – and all payments are tax deductible.

FACT: NO funds have been mismanaged – the truth is, changes in Escondido over the years have strained our local public safety services. Proposition P was developed after years of careful planning by community leaders, public safety officials, and experts. Over 2,000 Escondido residents helped identify the urgent safety priorities contained in Proposition P.

FACT: Local homeowners will NOT pay the entire cost of these safety improvements. Developer fees are a significant source of funding in the Proposition P Plan. However, developer fees alone are not enough to fund these essential neighborhood safety services.

FACT: Proposition P includes strict fiscal accountability requirements. By law, ALL funds must be spent on establishing police and fire stations. An Independent Citizens' Oversight Committee will ensure every dime is spent on time and within budget. Independent audits will be performed annually and must be published to the community. NO money can be spent on administrators' salaries.

You never know when an emergency will touch your family. The ability of your Police Officers, Firefighters and Paramedics to respond quickly can mean the difference between life and death. Join Escondido Police Officers, Firefighters and Paramedics in voting **YES on P** to save lives by improving our 9-1-1 Emergency Response System.

LORI HOLT PFEILER
Mayor of Escondido

DOUGLAS MOIR, M.D.
Escondido Cardiologist

JULIE S. LYON
Escondido Police
Neighborhood Watch Captain

JAMES P. FELIX
44-Year Escondido Resident
and Taxpayer

ELIZABETH GABRYCH
President, West Area Homeowners Association Board

ORDINANCE NO. 2004-16

AN ORDINANCE OF THE CITY OF ESCONDIDO CALLING A MUNICIPAL BOND ELECTION FOR THE PURPOSE OF SUBMITTING TO THE ELECTORS OF THE CITY A MEASURE PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CITY FOR THE ACQUISITION, CONSTRUCTION, REPAIR AND REPLACEMENT OF PUBLIC SAFETY FACILITIES AND IMPROVEMENTS; DECLARING THE ESTIMATED COST OF THE MUNICIPAL IMPROVEMENTS, THE AMOUNT OF THE PRINCIPAL OF THE INDEBTEDNESS TO BE INCURRED THEREFORE, AND THE MAXIMUM RATE OF INTEREST TO BE PAID THEREON; MAKING PROVISION FOR THE LEVY AND COLLECTION OF TAXES; FIXING THE DATE OF THE ELECTION AS NOVEMBER 2, 2004 AND THE MANNER OF HOLDING THE SAME; AND PROVIDING FOR NOTICE THEREOF

WHEREAS, the City Council (the "City Council") of the City of Escondido, California (the "City") has determined that the current facilities for the City's Public Safety Facilities are inadequate and in need of improvement to provide increased safety and emergency response services to the residents of the City including:

- 1) Replacement of the twenty-seven year-old Police Headquarters building in combination with Fire Department administrative and training functions;
- 2) Construction of an Emergency Operations Center for coordinated disaster response and police functions including patrol, investigations, juvenile crime, domestic violence, crime laboratory and community meeting spaces and construction of a 9-1-1 computer-aided dispatch center;
- 3) Construction of three new neighborhood fire stations in the north-central, north-western and western sectors of the City and replacement of Fire Station 1 due to seismic structural conditions and functional capability;
- 4) Acquisition of land and other related improvements.

WHEREAS, the City Council has determined that the public interest and necessity demand the acquisition, construction and completion by the City of the certain public safety related municipal improvements identified as follows:

Construct, upgrade, and acquire land for fire stations, including emergency response training centers and a combined Police/Fire Headquarters, to better coordinate emergency/disaster response and public communication, and to improve paramedic response, gang/drug enforcement and prevention.

WHEREAS, after study of alternatives, the City Council has determined that it is advisable to provide the funding for the acquisition and construction of the above-referenced improvements by means of general obligation bonds; and

WHEREAS, Section 1(b) of Article XIII A of the California Constitution excepts from the general one percent (1 %) of full cash value limitation those ad valorem taxes used to pay for debt service of any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds (2/3) of the votes cast by voters on the proposition; and

WHEREAS, in the judgment of the City Council, it is advisable to call an election on the question of whether bonds shall be issued and sold and ad valorem taxes be levied for the object and purpose set forth below;

NOW, THEREFORE, THE CITY COUNCIL DOES ORDAIN AS FOLLOWS:

SECTION 1. Recitals. The above recitals are true.

SECTION 2. Ordering Election. A municipal bond election shall be and is hereby ordered and will be held in the City on Tuesday, November 2, 2004, at which election shall be submitted to the qualified electors of the City the question of incurring a bonded indebtedness of the City for the object and purpose set forth in the following proposition:

PROPOSITION:

Fire, Police, Paramedic 911 Emergency Response Measure.

To improve fire and police response times, better coordinate emergency/disaster response and public communication, and improve paramedic response, gang/drug enforcement and prevention, shall the City of Escondido construct, upgrade, and acquire land for fire stations, including emergency response training centers and combined Police/Fire Headquarters, by issuing bonds up to \$84,350,000 at legal rates, with citizens' oversight, independent financial audits, and no money for administrators' salaries?	YES	
	NO	

The estimated cost of the municipal improvements set forth in the measure is \$84,350,000, including costs authorized pursuant to California Government Code Section 43610.1 (a) and (b), which may be paid from the proceeds of the sale of the bonds.

SECTION 3. Submission to Qualified Electors. The Council does hereby submit to the qualified electors of the City at the municipal bond election the measure set forth in Section 2 of this ordinance, and designates and refers to the measure in the form of ballot hereinafter prescribed for use at the election.

(a) The municipal bond election shall be held and conducted, and the votes thereof canvassed, and the returns thereof made, and the result thereof ascertained and determined, as herein provided; and in all particulars not prescribed by this ordinance, the election shall be held as provided by law for the holding of municipal elections in the City.

(b) All persons qualified to vote at municipal elections in the City upon the date of the election herein provided for shall be qualified to vote upon the measure submitted at the municipal bond election.

(c) The polls at the polling places hereinafter designated shall be opened at 7:00 o'clock A.M. of election day and shall be kept open continuously thereafter until 8:00 o'clock P.M. of election day, when the polls shall be closed (except as provided in Section 14401 of the Elections Code), and the election officers shall thereupon proceed to canvass the ballots cast.

(d) The municipal bond election hereby called shall be consolidated with any other elections to be held in the City on November 2, 2004, all as required by and pursuant to law; and the election precincts, polling places and officers of election within the City for the municipal bond election hereby called shall be set forth in the notice of election officers and polling places for the election to be published by the Registrar of Voters of the County of San Diego, as required by law, to which notice reference is hereby specifically made for a designation of the precincts, polling places and election officers of the municipal bond election hereby called. Only qualified voters of the City shall be permitted to vote at the municipal bond election.

(e) On the ballots to be used at the municipal bond election, in addition to all other matters required by law to be printed thereon, shall appear the measure set forth in Section 2 hereof.

(f) The Council shall confirm the canvass of the municipal bond election and shall cause to be spread upon its minutes a statement of the results of the municipal bond election as ascertained by the canvass at the first available Council meeting following receipt thereof.

SECTION 4. Bonds. The Council proposes to issue and sell bonds of the City, in one or more series, for the object and purpose, but not exceeding the amount, specified in the measure, if two-thirds of the qualified electors voting on such measure at the municipal bond election shall vote in favor of the measure. The maximum principal amount of the bonds shall be \$84,350,000.

The bonds shall bear interest at a rate not to exceed the maximum legal rate per annum, payable semiannually (except that interest for the first year after the date of the bonds may be made payable at the end of said year), except as may otherwise be permitted by law. The proceeds of the bonds shall be applied only to the specific purpose identified in the measure set forth in Section 2 of the Ordinance and shall be deposited into an account created for such purpose pursuant to Government Code Section 53410. The City Manager shall cause the chief fiscal officer of the City to file with the City Council annually a report complying with the provisions of Government Code Section 53411.

SECTION 5. Other Funding Sources. The City Council has previously imposed and set development impact fees for the purpose of offsetting the impact of new development on the City of Escondido. The development impact fee schedule presently adopted by the City Council, includes impact fees identified as public facilities fees. A portion of such public facility fees has been presently designated to offset the costs of the facilities and improvements which are otherwise a subject of this Ordinance. The portion of public facility fees presently attributable to costs of the facilities and improvements which are the subject of this Ordinance shall be applied in the first instance to offset a portion of the cost of the facilities being constructed pursuant to the Public Safety Facilities Plan through contributions to the cost of acquisition, construction and equipping of the facilities, to the extent permitted by law and in accordance with the prevailing development fee schedule adopted and in effect for the City. Any funds not so expended in accordance with the adopted fee schedule shall thereafter be contributed to the payment of the cost of such financing or to reimburse costs paid from other sources, to the extent permitted by law and subject to annual budget appropriations and processes. Nothing herein shall constitute a current appropriation for such purpose, or be construed to impose a legal obligation on the City to appropriate funds in any future fiscal year for such purpose, such appropriations being subject in every respect to future legislative action of the City Council.

SECTION 6. Publication. The City Clerk of the City is hereby directed, upon the passage and adoption of this ordinance, to publish the same once a day for at least seven (7) days in the North County Times, a newspaper published seven (7) days a week in the City. No other notice of the election hereby called need be given.

SECTION 7. Effective Immediately. This ordinance shall be forthwith entered upon the minutes of the City Council and in the Ordinance Book of the City. This ordinance, being an ordinance calling and ordering an election, shall take effect from and after its final passage and approval.

SECTION 8. Certification. The City Clerk shall certify the adoption of this Ordinance.